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From Airbus to bus: Private operators hope to retain travellers as demand rises amid ongoing IndiGo fiasco

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Article Content:

Private bus operators and online ticketing platforms are hoping to retain more users as travellers stranded by the IndiGo flight cancellation fiasco seek out last-minute travel alternatives. From local travel companies to electric-bus startups, everyone is vying for a share of a market that has lit up like a Christmas tree.

Bookings at redBus, India's largest online bus ticketing platform, increased 17% from 5 to 8 December, following the flight cancellations during 1-4 December, the company told *Mint* in an emailed response. Bookings surged more than 30% across 70+ routes in Pune, Hyderabad, Mumbai and Bangalore.

Demand has risen on short-haul routes such as Mumbai-Ahmedabad, Chennai Hyderabad and Vishakhapatnam-Hyderabad, where people generally prefer flights over buses. There's been a "steep jump" in demand in Andhra Pradesh and Telangana, in particular, according to redBus, which is a part of Nasdaq listed MakeMyTrip.

Apart from bookings, search volumes for major metro-hub routes have climbed 36%, pointing to an even broader travel anxiety among users. While travel in December typically rises due to weddings and pilgrimages, the company said the airline chaos has "sharply amplified" demand, especially on inter-metro and

business corridors.

The flight disruption at IndiGo, India's largest airline, occurred after new rules came into effect, giving pilots and crews more rest. The airline did not have enough crew capacity to operate its packed winter schedule and the mismatch set off a wave of flight cancellations and delays starting 1 December, leaving thousands of passengers stranded at airports.

IndiGo operated a fleet of 417 aircraft and served 94 domestic and 41 international destinations as of September. The airline touched a peak of 2,244 daily flights during the quarter – including non-scheduled services – and reported an on-time performance of 89.8% across six key metros, with a cancellation rate of 0.5%, according to its earnings disclosure.

Local opportunity

It's not just the large bus operators that have seen a rush of travellers. Demand has gone up for Leafybus, an e-bus operator with routes from Delhi to Jaipur, Chandigarh, Dehradun, Agra and Lucknow.

"On average, we were already seeing 90% occupancy, which has since shot up to 99%," said Rohan Dewan, co-founder and chief executive at the EV bus company.

FlixBus India said the increase has been "slight" compared to its already elevated holiday season load. The company said it is prepared to add capacity but operationally, "everything is running normally, and partner operators are equipped to react quickly to changes in demand."

AbhiBus reported a 10-15% increase in bookings across key intercity routes over the past few days.

"High-demand routes for bus travel over the past few days include Pune Hyderabad, Lucknow-Delhi, Bengaluru-Chennai, Bengaluru-Hyderabad, Hyderabad-Mumbai, and Hyderabad-Bengaluru," AbhiBus chief operating officer Rohit Sharma said.

Surge pricing

Bus operators also operate on dynamic pricing systems, with fares rising as demand increases. While ticket prices are set by individual operators rather than an aggregator like redBus, there has been an average 25% rise in fares on high-demand routes. Leafybus said its tickets, normally priced at ₹500, have gone up to ₹750, a 1.5x increase.

"We do surge pricing just like airlines, but we make sure not to go overboard," said Dewan.

Alongside the higher prices, Leafybus has prioritized punctuality and customer service in a bid to retain customers even after the flight disruptions cease.

"There have been instances where travellers are rushing to catch a bus from the stop despite being at the airport. In case they miss the bus, we refund the full ticket price to them," Dewan said. "We don't want already troubled people to face even more of a hassle, especially right now."

While FlixBus declined to provide specifics on its dynamic pricing, the company said that it planned to remain “fair and accessible even at peak times.”

State of the market

India's intercity bus ecosystem has grown significantly in this year alone. From April to September, private bus operators have sold 140 million seats, up from 112 million in the same period last year, according to the latest redBus India BusTrack quarterly report.

Gross ticket value rose as well, from ₹10,718 crore in 2024 to ₹13,216 crore this year across the same period. The number of active private bus operators has gone up by over 1,000 to 6,073 from 5,032 last year.

“The premium bus services as well as bus booking platforms continue to rise on their merit,” said Anurag Singh, advisor at consulting firm Primus Partners. “The extra demand due to air disruptions is a fleeting opportunity, but it has brought in new customers for the service.”

By comparison, there were only about 69 state road transport undertakings as of 2022, according to the latest report by the ministry of road transport and highways. These bus-based public transport undertakings provide short, medium and long-distance travel options for consumers. At their peak in 1980- 81, state entities accounted for 43% of the buses in the country. Their share declined to 7% in the 2019 to 2022 period.